



Wallet Flushes

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FEBRUARY 2013

AN AUTOMOTIVE INDUSTRY REVIEW

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Definition of Wallet Flush



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"A Wallet Flush is an automotive service or product that provides little to no benefit to the consumer and is sold without disclosing that fact."



Why is this a Problem?



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Automobiles and Automotive
Technology continue to improve at an
ever increasing rate. One effect of this is
cars last longer, require fewer repairs,
and less maintenance



Automotive Advancements





- Automotive electronics are advancing exponentially with 50 to 100 intelligent On-Board Diagnostic systems (OBD)
- Fuel and oil technology is integrated with intelligent electronic feedback systems designed for durability and reduction in emissions and environmental impact
- Vehicle Manufactures spend billions on research and development to define preventative maintenance schedules – this is the starting point for industry repair standards



Automotive Advancements





- There have been major changes in Automobiles over the past 70 years.
- Gasoline no longer has lead in it and now has better detergent additives.
- Engines are no longer over-fueled to cool the exhaust valves.
- Machining tolerances are closer and engines produce less blow-by.
- Oils are better and have better additive packages.



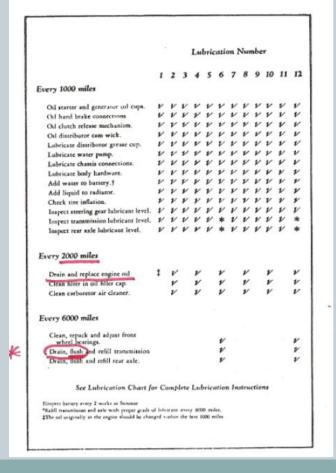
Tale of Two Cadillacs





- 1940 Cadillac Series 60
 Special Touring Sedan:
 - o Change oil every 2,000 miles
 - Drain/flush transmissionevery 6,000 miles
 - Remove and clean
 engine pan every 12,000 miles
 to remove carbon build up
 - o Long list of 1,000 mile services

Lubrication Schedule





Tale of Two Cadillacs





- 1940 Cadillac Series 60
 Special Touring Sedan:
 - o Ignition points 10,000 miles or less
 - o Spark plugs 10,000 miles or less
 - Carburetor and choke require adjustment
 - 100,000 miles is exceptional engine life − 60,000 is more likely with a valve-job about half way.
 - Drum brakes
 - Mild steel exhaust
 - o Tires at 10,000 miles



Tale of Two Cadillacs



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• 2007 Cadillac: Uses an intelligent oil monitoring system. Oil change intervals are based on computer algorithms or calendar time

Service	Maintenance I	Maintenance II
Change engine oil and filter. See <i>Engine Oil on page 5-18</i> . Reset oil Ife system. See <i>Engine Oil Life System on page 5-22</i> . <i>An Emission</i> Control Service.	•	•
Visually check for any leaks or damage. See Footnote (kt).	• , "	•
Inspect engine air cleaner filter. If mecassary, replace filter. See Engine Air Cleaned Filter on page 5-23. See footnote (n).		
Rotate tires and check inflation pressures and wear. See <i>Tire Inspection and Rotation on page 5-72</i> and "Tire Wear Inspection" in <i>At Least Once a Month on page 6-10</i> .	•	•
Inspect brake system. See footnote (a).	•	
Check engine coclant and windshield washer fluid levels and add fluid as needed.	•	
Perform any needed additional services. See "Additional Required Services" in this section.	•	
Inspect suspension and steering components. See feetnote (b).		•
Inspect engine cooling system. See footnate (c).		•
Inspect wiper blades. See footnote (d).		
Inspect restraint system components. See factnots (e).		•
Lubricate body components. See footnote (f).		
Replace passenger compartment air filter. See footnote (g).		-



Tale of Two Cadillac's





- Preventative maintenance schedules have evolved from the 1940's from frequent services every 1,000 to 2,000 miles, and which required significant mechanical disassembly.
- 2007 Cadillac has a computerized system that provides constant and real-time electronic feedback monitoring of engine, emissions, cooling system, body, and suspension systems.



Tale of Two Cadillac's





- 100,000 mile spark plug change interval
- 100,000 mile transmission service interval
- Stainless steel exhaust life of the car.
- 4-wheel disc brakes last 50,000 70,000 miles
- Long life radial tires last 50,000 80,000 miles
- No carburetor, no distributor nothing to adjust
- Engine life of 200,000 miles or more is routine
- Tire pressure monitor and advanced safety systems



Common Flush Services





- Engine oil flush
- Transmission flush
- Power steering flush
- Fuel injection and induction cleaning
- Cooling system flush
- Differential flush
- Brake fluid flush



Bureau's Concern



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We are not worried about what you sell as much as how it is sold!



Safe Harbor





- Full disclosure must be made to customers
 - Includes that the vehicle manufacturer does not recommend or prohibits the service
 - o Includes that performing the service may void the warranty
- Tell the truth, the whole truth, and nothing but the truth
 - This includes all forms of advertising
 - You are responsible for the truth of what you advertise



Acceptable Flush Practices





- Some flush services are an industry recognized solution to a drivability complaint or are recognized as preventative maintenance.
- Some procedures and chemical agents used in the process are recognized by both the vehicle manufacturers and the industry as appropriate.
- If the service deviates from the manufacturers maintenance schedule the shop has the duty to justify the need.
- The justification must be based on objective criteria



Unacceptable Flush Practices





- Cursory or no inspection before making service recommendations.
- Not taking the time to determine the vehicle maintenance history, driving conditions or customer's driving habits.
- Condemns fluid based solely on color without knowledge of maintenance history and without objective evaluation of condition.
- Falsely claims the flush is "required" by the manufacturer and failure to disclose the flush may void the vehicle warranty.
- Accelerated fluid changes without justification No benefit & waste of money, waste of resources and increases pollution!



The Consumer Element





Consumers generally do not:

- Keep up with preventative maintenance schedules
- Read their owner's manual
- Maintain their repair records or refer to them

Consumers generally do:

- Want fast and convenient services
- Rely on a station and technician's "recommendations"
- Frequently influenced by false or misleading advertisements and other statements



Automotive Repair Act





The Automotive Repair Act of 1971 is based on two fundamental principles: Consumer Protection and promotion of a fair and competitive marketplace

The Bureau of Automotive Repair Regulates

- Honesty Consumers must be told the truth Full Disclosure
- Communication The consumer understands what is being purchased, why, and how much it will cost



"Wallet Flush" Violations





- False claims of the benefits such as improved performance (e.g., lowers emissions, improves gas mileage, etc.)
- Misrepresentations of actual vehicle system condition
- Failure to tell the consumer the services are not recommended by the manufacturer, or the risks associated to the process and chemical agents used – including possible catastrophic failure
- Fails to describe all aspects of service so consumer can understand the parts and labor purchased or disclose that the flush is being performed as part of a service "package"
- False advertisements including use of vehicle manufacturer logo



Laws Violated





- Acts constituting fraud any misleading statement done to make the sale
- 17200/17500 False advertising and unfair competition
- False promises likely to induce sale not told there is questionable or no benefit
- Gross negligence in cases where flushes are sold as fixes for failures <u>not</u> fluid based, or where the flush itself causes another problem, even catastrophic failure
- Willful departure of accepted trade standards (e.g., manufacturer or industry accepted procedure)
- Failure to describe parts and labor performed so consumer understand what they purchased (e.g., flush equipment with specific chemical name and quantity used, etc.)



Secret Shopper Undercover Audits





- 150 secret shopper undercover audits, statewide, on independent shops, new car dealers, and quick-lube facilities
- 38% did not recommend any additional service
- 50% recommended one/more flushing services
- 12% recommended other non-flush services
- Shops did not ask customers about their maintenance history or vehicle operating conditions both are necessary to determine the proper service interval and maintenance requirements

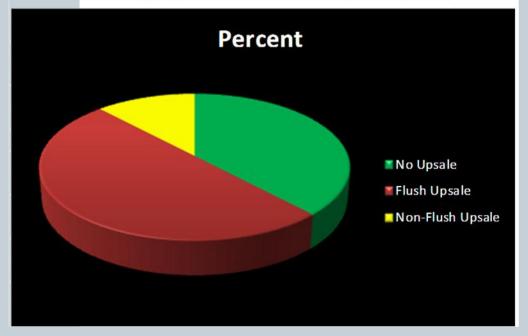


Secret Shopper Undercover Runs





	Number of Stores	Percent
No Upsale	57	38%
Flush Upsale	75	50%
Non-Flush Upsale	18	12%
Total Runs	150	100%





Vehicle Manufacturers





- Honda do not perform flushing on the engine lubricating system.
- Ford demonstrating to a customer that specific fluids should be changed because their color has changed is a misleading practice.
- Nissan does not advocate the use of aftermarket flushing systems and strongly advises against performing these services on any Nissan or Infiniti vehicle.
- **GM** Vehicles under normal usage do not require any additional procedures or additives beyond what is advised under the vehicle Maintenance Schedules.
- **Chrysler** vehicle fluid systems do NOT require regular flushing. These systems include: engine oil, transmission oil, axle lube, brake fluid, power steering fluid, and refrigerant. The only exception to this requirement is published in the vehicle maintenance schedules, e.g. engine coolant.



Vehicle Manufacturers





For Routine Service:

- No manufacturer requires fuel injection service or cleaning to maintain the emissions warranty
- No manufacturer recommends or approves engine oil or crankcase flushes
- No manufacturer recommends or approves transmission flushes
- No manufacturer recommends or approves aftermarket additives
- Any of the above could void the manufacturer warranty



Sample Advertisement





- Top Tier gas in CA make this service and additive no benefit to consumer
- Performance claims are false or misleading
- Injection cleaning service not endorsed by Toyota Motor Sales USA, Inc.

FUEL INDUCTION & ENGINE DECARBONIZE FUEL INJECTORS ARE DESIGNED TO DELIVER AN EVEN, CONTROLLED SUPPLY OF ATOMIZED FUEL TO THE ENGINE, HOWEVER, IN JUST 12,000 MILES, DEPOSITS CAN FORM, WHICH CAN CAUSE STALLING, HESITATION, POOR STARTING & ROUGH IDLING. Reduces exhaust emissions Improves performance Improves gas mileage Improves starting Smooths idle by removing carbon deposits Clean fuel induction system Toyotas only, Some models higher. Please present coupon during write-up. Cannot be combined with any other offer or be used toward previous purchases. Valid only at Claremont Toyota. Expires 10-31-12.



Sample Advertisement





Royal "Wallet Flush?"





BAR Recommendations – "Plan"





- Continue to focus on our core issues of honesty and communication
- Educate consumers on "Wallet Flushes"
- Collaborate with industry to change misleading sales practices
- Discipline licensees that fail to comply
- Continue to promote a fair and competitive marketplace







Is Someone Trying to Flush Your Wallet?

What is a Wallet Flush?

A Wallet Flush is an automotive service or product that provides little or no benefit and that fact is not disclosed as such to the consumer.

Why is it called a Wallet Flush?

It is called a wallet flush because it is money that you don't need to spend to maintain your vehicle. Some of the recommended flushing services may not be necessary as preventative maintenance, while others maybe sold based on time or mileage that is more frequent than when they are due.

What are the typical fluid systems flushes and automotive services that repair facilities recommend?

- 1. Automatic and manual transmission
- 2. Differential and transfer case
- 3. Power steering
- 4. Engine/Crankcase
- 5. Brakes
- 6. Fuel injector/induction
- 7. Radiator/cooling
- 8. Air conditioning
- 9. Cabin filter replacement

Refer to your vehicle owner's manual for maintenance schedules and check whether any flush services are recommended. Not all vehicles have the same requirements.







Some vehicle manufacturers prohibit fluid flush services and the use of chemicals in servicing of their vehicles. In addition, some fluid flush and system cleaning services may void your vehicle's manufacturer's warranty.

Why would I need a flush for my vehicle?

Your vehicle has a number of fluids that require regular maintenance, as described in your vehicle owner's manual. Over time these fluids degrade and require replacement. Most vehicle manufacturers recommend only a "drain and fill" procedure, not <u>flushing</u> the system. A flushing service maybe appropriate in some instances where there is a specific problem needed to be corrected, such as contamination or to remove small particles and debris circulating throughout the system, especially after a system failure.

Consumers should read their vehicle's owner's manual to determine if a fluid flush is appropriate for your vehicle and how it should be performed (with or without chemicals, or machines).

What types of fluid services are typically available?

- Fluid Flush Typically, this includes the use of chemical agents and additives designed to remove small particles and debris. It may or may not involve a machine to exchange the old fluid and refill the system with new fluid. A power flush, is another term used to describe the fluid being pumped into the system by a machine at a higher pressure.
- Fluid Exchange New fluid is pumped in, pushing the old fluid out. Often, it does not include chemical agents or additives.
- *Drain and Fill* This is not considered a flush, but is the most frequent type of fluid change process. This service typically involves removing a drain plug and allowing the fluid to drain on its own or syphoning the fluid out through the dip stick tube. The fluid is drained without the use of machines and new fluid is poured back into the system. This process is the most widely recommended procedure by vehicle manufacturers.
- Can a flush harm my vehicle?
- If any chemicals are used in the process and residue remains in the system after flushing, the chemical agents can damage metals, seals, O-rings, gaskets and attack the lubricating qualities of the new fluid. In addition, the inappropriate use of flushing machines can leave fine particles in the system after the flushing process. This can clog small passages which can lead to performance problems and even cause a catastrophic system failure.







What should I do if I the repair facility recommend a flush service?

- Be an informed consumer and ask questions so that you can make an informed decision about the repairs of your vehicle.
- Ask the repair facility:
- Why is the service needed?
- Is the flush service recommended by the vehicle manufacturer?
- What type of equipment and chemical agents will be used in the process?
- What benefits and risks are involved in the process?
- Is a warranty provided for the system flushed, and if so, what are the written terms and conditions?
- Be aware, fluid "color" is not always the only determining factor or always an accurate accepted standard for determining the condition and replacement of the fluid.
- If your vehicle is not experiencing a performance or drivability problem and the recommendation for a flushing service is considered "preventative maintenance", don't feel pressured to buy. Consider asking the station to write their recommendations on the final invoice so that you can review your owner's manual or get a second opinion from the manufacturer or another licensed repair facility.

If I purchase a flush service, what should the final invoice describe?

- The final invoice should describe the diagnostic work performed to determine the need for the flush service. It should also describe all parts and labor included in the service. It should be written so the customer can understand what was purchased. If a machine was used there should be disclosure of this fact. If any fluid and any chemical agents are used in the process it should be described by brand name, product number and quantity.
- Maintain a copy of the invoice for your records and have it available the next time you take your car in for service.

Can performing a flush on my vehicle void my manufacturer's warranty?

• Some vehicle manufacturers may not honor warranty repairs if its attributed to a prohibited or incorrectly performed flush. Read your owner's manual to determine which system(s) can be flushed and under what circumstances. Most owner's manual

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• include contact information so you can ask the manufacturer questions; asking the right questions <u>before</u> authorizing service may save you time and money.

How do I avoid my wallet from being flushed?

- Before taking your car in for service, read and understand your vehicle owner's manual.
- Follow the vehicle maintenance schedule for your driving habits and conditions.
- Keep good records.
- Get a second opinion if a flushing service is recommended and you have concerns or your vehicle is not having a performance or drivability problem.
- Be an informed consumer!

Under what circumstances does my vehicle need a fuel injection service?

• Most fuel injection systems don't require a fuel injection cleaning service. If you drive in California, the gasoline already contains the necessary additives to keep most fuel injection systems functioning as designed. If your vehicle is experiencing a drivability or engine performance problem, have a licensed repair facility perform a diagnosis to determine the cause of the problem before spending money on a potentially unnecessary fuel injection service.

What is an Oil Life Monitoring System?

• Beginning in the 1980's some vehicle manufactures introduced monitoring systems to inform you when the next oil change is due. Some systems are strictly mileage counters, recommending an oil change when your vehicle reaches a predetermined mileage interval. Other systems provide detailed information based on your actual driving habits. Read your owner's manual to determine if your vehicle is equipped with an Oil Life Monitoring system, when to obtain service, and the type and grade of engine oil to use for the vehicle and your driving habits and conditions.